

AMENDED IN ASSEMBLY APRIL 25, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1238

Introduced by Assembly Member Plescia

February 22, 2005

An act to amend Sections 125000, 125001, 125002, 125050, 125052, 125105, 125200, 125201, 125202, 125220, 125222, 125226, 125227, 125240, 125241, 125260, 125350, 125351, 125352, 125400, 125522, 125524, 125525, 125526, 125527, 125540, 125541, 125550, 125551, 125552, 125560, 125561, 125600, 125700, 125701, 125702, 125703, 125705, 125707, 125708, 125709, 125710, 125711, 125712, 125713, 125714, 125715, and 125716 of, and to amend the heading of Division 11.5 (commencing with Section 125000) of, to add Sections ~~125203~~, 125450, and 125500 to, and to repeal Sections 125300 and 125301 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1238, as amended, Plescia. North County Transit District.

Existing law provides for creation of the North San Diego County Transit Development Board, with various powers and duties relative to the planning and operation of a transit system in a portion of San Diego County.

This bill would revise and recast these provisions and rename the board as the North County Transit District. ~~The bill would provide that the district is not a local agency required to comply with applicable building and zoning ordinances of a county or city.~~ The bill would conform to the provisions of the San Diego Regional Transportation Consolidation Act. The bill would also provide that a violation of a district fare ordinance is a crime. Because the bill would

create a new crime, it would thereby impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The heading of Division 11.5 (commencing
2 with Section 125000) of the Public Utilities Code is amended to
3 read:

4
5 DIVISION 11.5. NORTH COUNTY TRANSIT DISTRICT
6

7 SEC. 2. Section 125000 of the Public Utilities Code is
8 amended to read:

9 125000. This part shall be known and may be cited as the
10 “North County Transit District Act.”

11 SEC. 3. Section 125001 of the Public Utilities Code is
12 amended to read:

13 125001. As used in this division, “district” means the North
14 County Transit District.

15 SEC. 4. Section 125002 of the Public Utilities Code is
16 amended to read:

17 125002. It is the intent of the Legislature to improve existing
18 public transportation coordination. The Legislature recognizes
19 that in order to achieve a unified, coordinated public
20 transportation system within the San Diego region, it may be
21 necessary to form a regionwide transit district at some future
22 time. It is the intent of the Legislature that the North County
23 Transit District shall reserve the right to join and merge with
24 such a regionwide district at such time as it is deemed mutually
25 beneficial by the board and the region as a whole.

26 SEC. 5. Section 125050 of the Public Utilities Code is
27 amended to read:

1 125050. There is hereby created, in that portion of the County
2 of San Diego as described in Section 125052, the North County
3 Transit District. The district shall be governed by a board of
4 directors. As used in this division, “board” means the board of
5 directors of the district. The board shall consist of members
6 selected as follows:

7 (a) One member of the San Diego County Board of
8 Supervisors appointed by the board of supervisors, which
9 member shall represent, on the board of supervisors, the largest
10 portion of the area under the jurisdiction of the district.

11 (b) One member of each of the City Councils of the Cities of
12 Carlsbad, Del Mar, Encinitas, Escondido, Oceanside, San
13 Marcos, Solana Beach, and Vista, and each new city that
14 incorporates within the district boundaries, appointed by the
15 respective city council.

16 SEC. 6. Section 125052 of the Public Utilities Code is
17 amended to read:

18 125052. The area of jurisdiction of the board shall consist of
19 the following areas:

20 (a) The Cities of Carlsbad, Del Mar, Encinitas, Escondido,
21 Oceanside, San Marcos, Solana Beach, and Vista and each new
22 city that incorporates within the district boundaries.

23 (b) Camp Joseph H. Pendleton.

24 (c) The unincorporated areas of San Diego County lying
25 within census tracts: 170.04 (but excluding that portion lying east
26 of the eastern boundary of the City of San Diego), 171.00,
27 173.00, 174.01, 174.02, 175.00, 176.00, 177.00, 178.02, 185.02,
28 185.03, 186.01, 186.02, 188.00, 189.01, 189.02, 190.00, 191.01,
29 191.02, 192.01, 192.02, 193.00, 194.00, 196.00, 197.00, 198.00,
30 199.00, 200.01, 200.02, 200.03, 201.01, 201.02, 202.03, 202.05,
31 203.00, 204.00, 206.02, 207.01, 207.02, and 208.00, as set forth
32 in the 1970 decennial census maps for the State of California on
33 file with the Bureau of the Census, Department of Commerce,
34 Washington, D.C.

35 SEC. 7. Section 125105 of the Public Utilities Code is
36 amended to read:

37 125105. The board shall:

38 (a) Acquire, construct, maintain, and operate (or let a contract
39 to operate) public transit systems and related facilities.

1 (b) Adopt an annual budget and fix the compensation of the
2 district's officers and employees.

3 (c) Adopt an administrative code, by ordinance, that prescribes
4 the powers and duties of district officers, the method of
5 appointment of district employees, and methods, procedures, and
6 systems of operation and management of the district.

7 (d) Cause a postaudit of the financial transactions and records
8 of the district to be made at least annually by a certified public
9 accountant.

10 (e) Appoint advisory commissions as it deems necessary.

11 (f) Do any and all things necessary to carry out the purposes of
12 this division, including, but not limited to, adopting all
13 ordinances and making all rules and regulations proper or
14 necessary to regulate the use, operation, and maintenance of the
15 district's property and facilities, including its public transit
16 systems and related transportation facilities and services
17 operating within its area of jurisdiction and those areas beyond
18 its jurisdiction served by the district pursuant to contract or
19 memorandum of agreement with another transit agency, and to
20 carry into effect the powers granted to the district.

21 SEC. 8. Section 125200 of the Public Utilities Code is
22 amended to read:

23 125200. The district has perpetual succession and may adopt
24 a seal and alter it at its pleasure.

25 SEC. 9. Section 125201 of the Public Utilities Code is
26 amended to read:

27 125201. The district may sue and be sued, except as
28 otherwise provided by law, in all actions and proceedings, in all
29 courts and tribunals of competent jurisdiction.

30 SEC. 10. Section 125202 of the Public Utilities Code is
31 amended to read:

32 125202. All claims for money or damages against the district
33 are governed by Division 3.6 (commencing with Section 810) of
34 Title 1 of the Government Code except as provided therein, or by
35 other statutes or regulations expressly applicable thereto.

36 ~~SEC. 11. Section 125203 is added to the Public Utilities~~
37 ~~Code, to read:~~

38 ~~125203. The district shall be excluded from the requirements~~
39 ~~of a local agency set forth in Section 53091 of the Government~~
40 ~~Code.~~

1 SEC. 12. Section 125220 of the Public Utilities Code is
2 amended to read:

3 125220. The district may make contracts and enter into
4 stipulations of any nature whatsoever, either in connection with
5 eminent domain proceedings or otherwise, including, but not
6 limited to, contracts and stipulations to indemnify and save
7 harmless, to employ labor, to contract with a private patrol
8 operator licensed pursuant to Chapter 11 (commencing with
9 Section 7500) of Division 3 of the Business and Professions
10 Code, the county sheriff and municipal police departments within
11 the areas described in Section 125052, and other transit
12 development boards for security, police, and related services, and
13 to do all acts necessary and convenient for the full exercise of the
14 powers granted in this division.

15 SEC. 13. Section 125222 of the Public Utilities Code is
16 amended to read:

17 125222. The district may contract with any department or
18 agency of the United States of America, with any public agency,
19 or with any person upon such terms and conditions as the district
20 finds is in its best interest.

21 SEC. 14. Section 125226 of the Public Utilities Code is
22 amended to read:

23 125226. The district may insure against any accident or
24 destruction of the system or any part thereof. The district may
25 also provide insurance as provided in Part 6 (commencing with
26 Section 989) of Division 3.6 of Title 1 of the Government Code.

27 SEC. 15. Section 125227 of the Public Utilities Code is
28 amended to read:

29 125227. The district may contract for the services of
30 independent contractors.

31 SEC. 16. Section 125240 of the Public Utilities Code is
32 amended to read:

33 125240. The district may take by grant, purchase, devise, or
34 lease, or condemn in proceedings under eminent domain, or
35 otherwise acquire, and hold and enjoy, real and personal property
36 of every kind within or without its area of jurisdiction necessary
37 to the full or convenient exercise of its powers. The district may
38 lease, mortgage, sell, or otherwise dispose of any real or personal
39 property within or without its area of jurisdiction necessary to the
40 full or convenient exercise of its powers.

1 SEC. 17. Section 125241 of the Public Utilities Code is
2 amended to read:

3 125241. The district is entitled to the benefit of any
4 reservation or grant, in all cases, where any right has been
5 reserved or granted to any public agency to construct or maintain
6 roads, highways, or other crossings over any public or private
7 lands.

8 SEC. 18. Section 125260 of the Public Utilities Code is
9 amended to read:

10 125260. The district shall plan, construct, and operate (or let
11 a contract to operate) public transit systems in conformance with,
12 and to the extent provided for in, the San Diego Regional
13 Transportation Consolidation Act (Chapter 3 (commencing with
14 Section 132350) of Division 12.7).

15 SEC. 19. Section 125300 of the Public Utilities Code is
16 repealed.

17 SEC. 20. Section 125301 of the Public Utilities Code is
18 repealed.

19 SEC. 21. Section 125350 of the Public Utilities Code is
20 amended to read:

21 125350. The district shall be deemed a provider of services
22 within the area of its jurisdiction for purposes of Section 1604 of
23 Title 49 of the United States Code.

24 SEC. 22. Section 125351 of the Public Utilities Code is
25 amended to read:

26 125351. The district shall take all action necessary to obtain
27 the maximum amount of funding available pursuant to Section
28 1602 of Title 49 of the United States Code.

29 SEC. 23. Section 125352 of the Public Utilities Code is
30 amended to read:

31 125352. It is the intent of this section that the district shall file
32 application for funds for public transportation in conformity with,
33 and subject to the limitations set forth in, the San Diego Regional
34 Transportation Consolidation Act (Chapter 3 (commencing with
35 Section 132350) of Division 12.7) under Chapter 4 (commencing
36 with Section 99200) of Part 11 of Division 10.

37 SEC. 24. Section 125400 of the Public Utilities Code is
38 amended to read:

39 125400. The district may accept contributions, grants, or
40 loans from any public agency or the United States or any

1 department, instrumentality, or agency thereof, for the purpose of
2 financing the planning, acquisition, construction, or operation of
3 public transit systems, and may enter into contracts and
4 cooperate with, and accept cooperation from, any public agency
5 or the United States, or agency thereof, in the planning,
6 acquisition, construction, or operation of those systems in
7 accordance with any legislation that Congress or the Legislature
8 may have heretofore adopted or may hereafter adopt, under
9 which aid, assistance, and cooperation may be furnished by the
10 United States or any public agency in the planning, acquisition,
11 construction, or operation of those systems. The district may do
12 any and all things necessary in order to avail itself of that aid,
13 assistance, and cooperation under any federal or state legislation
14 now or hereafter enacted.

15 SEC. 25. Section 125450 is added to the Public Utilities
16 Code, to read:

17 125450. A violation of any ordinance, rule, or regulation
18 enacted by the board relating to the nonpayment of a fare in any
19 transit facility owned or controlled by the district shall be an
20 infraction punishable by a fine not exceeding seventy-five dollars
21 (\$75), except that a violation by a person, after the second
22 conviction under this section, shall be a misdemeanor punishable
23 by a fine not exceeding five hundred dollars (\$500) or by
24 imprisonment in a county jail not exceeding six months, or by
25 both that fine and imprisonment.

26 SEC. 26. Section 125500 is added to the Public Utilities
27 Code, to read:

28 125500. This chapter shall become operative on the date the
29 district first begins to operate a public transit system pursuant to
30 Section 125105.

31 SEC. 27. Section 125522 of the Public Utilities Code is
32 amended to read:

33 125522. Whenever a majority of the employees employed by
34 the district in a unit appropriate for collective bargaining indicate
35 a desire to be represented by a labor organization and upon
36 determining, as provided in Section 125521, that the labor
37 organization represents at least a majority of the employees in the
38 appropriate unit, the district and the accredited representative of
39 employees shall bargain in good faith and make all reasonable

1 efforts to reach agreement on the terms of a written contract
2 governing wages, hours, pensions, and working conditions.

3 SEC. 28. Section 125524 of the Public Utilities Code is
4 amended to read:

5 125524. If, after a reasonable period of time, representatives
6 of the district and the accredited representatives of the employees
7 fail to reach agreement on the terms of a written contract
8 governing wages, hours, pensions, and working conditions or the
9 interpretation or application of the terms of an existing contract,
10 either party may request mediation services of the State
11 Conciliation Service.

12 SEC. 29. Section 125525 of the Public Utilities Code is
13 amended to read:

14 125525. If, after a reasonable period of time, representatives
15 of the district and the accredited representatives of the employees
16 fail to reach agreement either on the terms of a written contract
17 governing wages, hours, pensions, and working conditions or the
18 interpretation or application of the terms of an existing contract,
19 upon the agreement of both the district and the representatives of
20 the employees, the dispute may be submitted to an arbitration
21 board.

22 The arbitration board shall be composed of two representatives
23 of the district and two representatives of the labor organization,
24 and they shall endeavor to agree upon the selection of a fifth
25 member. If they are unable to agree, the names of five persons
26 experienced in labor arbitration shall be obtained from the State
27 Conciliation Service. The labor organization and the district
28 shall, alternately, strike a name from the list so supplied, and the
29 name remaining after the labor organization and the district have
30 stricken four names, shall be designated as the fifth arbitrator and
31 the chair of the board of arbitration. The labor organization and
32 the district shall determine by lot who shall first strike a name
33 from the list. The decision of a majority of the arbitration board
34 shall be final and binding upon the parties thereto.

35 Each party shall be responsible for the expense of the
36 presentation of its case. All other expenses of arbitration shall be
37 borne equally by the parties and the expenses may include the
38 making of a verbatim record of the proceedings and transcript of
39 that record.

1 SEC. 30. Section 125526 of the Public Utilities Code is
2 amended to read:

3 125526. If the district and the representatives of the
4 employees do not agree to submit any dispute to arbitration as
5 provided in Section 125525, the State Conciliation Service may
6 be notified by either party that a dispute exists and there is no
7 agreement to arbitrate.

8 Following that notification, the State Conciliation Service shall
9 determine whether or not the dispute may be resolved by the
10 parties and, if not, the issues concerning which the dispute exists.
11 Upon that determination, the service shall certify its findings to
12 the Governor. The Governor shall, within 10 days of receipt of
13 certification, appoint a factfinding commission consisting of
14 three persons.

15 The commission shall immediately convene and inquire into
16 and investigate the issues in the dispute. The commission shall
17 have authority to issue subpoenas for the attendance of witnesses
18 and subpoenas duces tecum for the production of books,
19 documents, and other records. Subpoenas shall be served and
20 enforced in accordance with Chapter 2 (commencing with
21 Section 1985) of Title 3 of Part 4 of the Code of Civil Procedure.
22 The commission shall report to the Governor within 30 days of
23 the date of its creation.

24 After the creation of the commission, and for 30 days after the
25 commission has made its report to the Governor, no change,
26 except by mutual agreement, shall be made by the parties to the
27 controversy in the conditions out of which the dispute arose, and
28 service to the public shall be provided.

29 SEC. 31. Section 125527 of the Public Utilities Code is
30 amended to read:

31 125527. If an exclusive collective-bargaining representative
32 is selected pursuant to Section 125521, the provisions of Chapter
33 10 (commencing with Section 3500) of Division 4 of Title 1 of
34 the Government Code are not applicable to the district.

35 SEC. 32. Section 125540 of the Public Utilities Code is
36 amended to read:

37 125540. Whenever the district acquires existing facilities
38 from a publicly or privately owned utility, either in proceedings
39 by eminent domain or otherwise, to the extent necessary for
40 operation of facilities, all of the employees of the utility whose

1 duties pertain to the facilities acquired who have been employed
2 by the utility for at least 75 days shall be appointed to
3 comparable positions by the board without examination. These
4 employees shall be given sick leave, seniority, and vacation
5 credits in accordance with the records of the acquired public
6 utility. No employee of any acquired public utility shall suffer
7 any worsening of wages, seniority, pension, vacation, or other
8 benefits by reason of the acquisition.

9 Whenever the district acquires existing facilities from a
10 publicly or privately owned utility, either in proceedings in
11 eminent domain or otherwise, the district shall assume and
12 observe all existing labor contracts.

13 The provisions of this section shall apply only to those officers
14 or supervisory employees of the acquired utility as shall be
15 designated by the district.

16 SEC. 33. Section 125541 of the Public Utilities Code is
17 amended to read:

18 125541. Whenever the district acquires existing facilities
19 from a publicly or privately owned utility, either in proceedings
20 in eminent domain or otherwise, that has a pension plan in
21 operation, members and beneficiaries of that pension plan shall
22 continue to have the rights, privileges, benefits, obligations and
23 status with respect to that established system. The outstanding
24 obligations and liabilities of that public utility by reason of that
25 pension plan shall be considered and taken into account and
26 allowance made therefor in the purchase price of that public
27 utility. The persons entitled to pension benefits as provided for in
28 this section and the benefits which are provided shall be specified
29 in the agreement or order by which any public utility is acquired
30 by the district.

31 SEC. 34. Section 125550 of the Public Utilities Code is
32 amended to read:

33 125550. (a) The adoption, terms, and conditions of a pension
34 plan covering employees of the district in a bargaining unit
35 represented by a labor organization shall be pursuant to a
36 collective bargaining agreement between that organization and
37 the district and shall be subject to this section.

38 (b) The pension plan and the funds of the plan shall be
39 managed and administered by a retirement board composed of
40 equal representation of labor and management. Any deadlock

1 among the members of the board with respect to that
2 management and administration shall be resolved in the manner
3 specified in Section 302 of the federal Labor Management
4 Relations Act, 1947 (29 U.S.C. Sec. 186(c)(5)).

5 (c) The duties and responsibilities of the retirement board shall
6 be executed in accordance with Section 17 of Article XVI of the
7 California Constitution.

8 (d) This section does not apply if the district has, pursuant to a
9 collective bargaining agreement, provided membership for the
10 district's represented employees in the Public Employees'
11 Retirement System, a retirement system established pursuant to
12 the County Employees Retirement Law of 1937, or a pension
13 trust subject to the Employee Retirement Income Security Act of
14 1974 (29 U.S.C. Sec. 1001 et seq.).

15 SEC. 35. Section 125551 of the Public Utilities Code is
16 amended to read:

17 125551. The district may contract with the Board of
18 Administration of the Public Employees' Retirement System, and
19 in that case the board of administration shall enter into a contract
20 with the district, to enter all, or any portion, of the employees of
21 the district under that system; provided, that no employees of the
22 district in a bargaining unit that is represented by a labor
23 organization shall be included in the contract except as
24 authorized by a collective-bargaining agreement.

25 SEC. 36. Section 125552 of the Public Utilities Code is
26 amended to read:

27 125552. All persons receiving pension benefits from an
28 acquired public utility, and all persons entitled to pension
29 benefits under any pension plan of the acquired public utility,
30 may become members or receive pensions under a pension plan
31 established by the district by mutual agreement of those persons
32 and the district. The agreement may provide for the waiver of all
33 rights, privileges, benefits, and status with respect to the pension
34 plan of the acquired public utility.

35 SEC. 37. Section 125560 of the Public Utilities Code is
36 amended to read:

37 125560. The district shall take such steps as may be necessary
38 to obtain coverage for the board and its employees under
39 Subchapter II of the Federal Social Security Act, as amended,

1 and the related provisions of the Federal Contributions Act, as
2 amended.

3 SEC. 38. Section 125561 of the Public Utilities Code is
4 amended to read:

5 125561. The district shall take such steps as may be necessary
6 to obtain coverage for the board and its employees under the
7 workers' compensation, unemployment compensation, and
8 disability and unemployment insurance laws of the State of
9 California.

10 SEC. 39. Section 125600 of the Public Utilities Code is
11 amended to read:

12 125600. The district may establish and maintain a police
13 force. Those employees of the district appointed by the executive
14 director to the police force and who are duly sworn are peace
15 officers, subject to Section 830.33 of the Penal Code. The district
16 shall comply with the standards for recruitment and training of
17 peace officers established by the Commission on Peace Officer
18 Standards and Training pursuant to Title 4 (commencing with
19 Section 13500) of Part 4 of the Penal Code.

20 SEC. 40. Section 125700 of the Public Utilities Code is
21 amended to read:

22 125700. The district may issue bonds, payable from revenue
23 of any facility or enterprise to be acquired or constructed by the
24 district, in the manner provided by the Revenue Bond Law of
25 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of
26 Division 2 of Title 5 of the Government Code), and all of the
27 provisions of that law are applicable to the district.

28 SEC. 41. Section 125701 of the Public Utilities Code is
29 amended to read:

30 125701. The district is a local agency within the meaning of
31 the Revenue Bond Law of 1941 (Chapter 6 (commencing with
32 Section 54300) of Part 1 of Division 2 of Title 5 of the
33 Government Code). The term "enterprise," as used in the
34 Revenue Bond Law of 1941, for all purposes of this chapter,
35 includes the transit system or any or all transit facilities and all
36 additions, extensions, and improvements thereto authorized to be
37 acquired, constructed, or completed by the district.

38 The district may issue revenue bonds under the Revenue Bond
39 Law of 1941 for any one or more transit facilities authorized to
40 be acquired, constructed, or completed by the district or for

1 transit equipment described in Section 125702 authorized to be
2 acquired by the district or, in the alternative, the district may
3 issue revenue bonds under the Revenue Bond Law of 1941 for
4 the acquisition, construction, and completion of any one of those
5 transit facilities or for transit equipment described in Section
6 125702 authorized to be acquired by the district.

7 Nothing in this chapter prohibits the district from availing itself
8 of, or making use of, any procedure provided in this chapter for
9 the issuance of bonds of any type or character for any of the
10 transit facilities authorized hereunder, and all proceedings may
11 be carried on simultaneously or, in the alternative, as the district
12 may determine.

13 SEC. 42. Section 125702 of the Public Utilities Code is
14 amended to read:

15 125702. The district may purchase transit equipment such as
16 cars, trolley buses, motorbuses, light rail vehicles, or rolling
17 equipment, and may execute agreements, leases, and equipment
18 trust certificates in the forms customarily used by private
19 corporations engaged in the transit business appropriate to effect
20 the purchase and leasing of transit equipment, and may dispose
21 of the equipment trust certificates upon the terms and conditions
22 that the district may deem appropriate.

23 Payment for transit equipment, or rentals therefor, may be
24 made in installments, and the deferred installments may be
25 evidenced by equipment trust certificates that are or will be
26 legally available to the district. Title to the equipment may not
27 vest in the district until the equipment trust certificates are paid.

28 SEC. 43. Section 125703 of the Public Utilities Code is
29 amended to read:

30 125703. The agreement to purchase or lease transit equipment
31 may direct the vendor or lessor to sell and assign or lease the
32 transit equipment to a bank or trust company duly authorized to
33 transact business in the state as trustee for the benefit and
34 security of the equipment trust certificates, and may direct the
35 trustee to deliver the transit equipment to one or more designated
36 officers of the district and may authorize the district to
37 simultaneously therewith execute and deliver an installment
38 purchase agreement or a lease of that equipment to the district.

39 SEC. 44. Section 125705 of the Public Utilities Code is
40 amended to read:

1 125705. The covenants, conditions, and provisions of the
2 agreements, leases, and equipment trust certificates may not
3 conflict with any trust agreement or similar document securing
4 the payment of bonds, notes, or certificates of the district.

5 SEC. 45. Section 125707 of the Public Utilities Code is
6 amended to read:

7 125707. The Improvement Act of 1911 (Division 7
8 (commencing with Section 5000) of the Streets and Highways
9 Code), the Improvement Bond Act of 1915 (Division 10
10 (commencing with Section 8500) of the Streets and Highways
11 Code), and the Municipal Improvement Act of 1913 (Division 12
12 (commencing with Section 10000) of the Streets and Highways
13 Code), are applicable to the district.

14 SEC. 46. Section 125708 of the Public Utilities Code is
15 amended to read:

16 125708. Chapter 1 (commencing with Section 99000) of Part
17 11 of Division 10 is applicable to the district.

18 SEC. 47. Section 125709 of the Public Utilities Code is
19 amended to read:

20 125709. The district shall be considered a “local agency,” as
21 defined in subdivision (h) of Section 53317 of the Government
22 Code, and the provisions of Chapter 2.5 (commencing with
23 Section 53311) of Part 1 of Division 2 of Title 5 of the
24 Government Code are applicable to the district.

25 SEC. 48. Section 125710 of the Public Utilities Code is
26 amended to read:

27 125710. The district shall be considered to be a “local
28 agency” as defined in subdivision (f) of Section 6585 of the
29 Government Code, and Article 4 (commencing with Section
30 6584) of Chapter 5 of Division 7 of Title 1 of the Government
31 Code is applicable to the district.

32 SEC. 49. Section 125711 of the Public Utilities Code is
33 amended to read:

34 125711. The district may borrow money in accordance with
35 Article 7 (commencing with Section 53820), Article 7.6
36 (commencing with Section 53850), or Article 7.7 (commencing
37 with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title
38 5 of the Government Code.

39 SEC. 50. Section 125712 of the Public Utilities Code is
40 amended to read:

1 125712. The district may borrow money in anticipation of the
2 sale of bonds that have been authorized to be issued, but that
3 have not been sold and delivered, and may issue negotiable bond
4 anticipation notes therefor, and may renew the bond anticipation
5 notes from time to time, but the maximum maturity of any bond
6 application notes, including the renewals thereof, may not exceed
7 five years from the date of delivery of the original bond
8 anticipation notes.

9 The bond anticipation notes may be paid from any money of
10 the district available therefor and not otherwise pledged. If not
11 previously otherwise paid, the bond anticipation notes shall be
12 paid from the proceeds of the next sale of the bonds of the district
13 in anticipation of which they were issued. The bond anticipation
14 notes may not be issued in any amount in excess of the aggregate
15 amount of bonds that the district has not been authorized to issue,
16 less the amount of any bonds of the authorized issue previously
17 sold, and also less the amount of other bond anticipation notes
18 therefor issued and then outstanding.

19 The bond anticipation notes shall be issued and sold in the
20 same manner as the bonds. The bond anticipation notes and the
21 resolution or resolutions authorizing them may contain any
22 provisions, conditions, or limitations that a resolution of the
23 board of the district authorizing the issuance of bonds may
24 contain.

25 SEC. 51. Section 125713 of the Public Utilities Code is
26 amended to read:

27 125713. The district may issue negotiable promissory notes
28 pursuant to this section to acquire funds for any district purposes.
29 The maturity of the promissory notes may not be later than five
30 years from the date thereof. Those notes shall bear interest at a
31 rate not to exceed 12 percent per year. Those notes shall be
32 payable from any source of revenue available to the district.

33 SEC. 52. Section 125714 of the Public Utilities Code is
34 amended to read:

35 125714. The district may bring an action to determine the
36 validity of any of its bonds, equipment trust certificates,
37 warrants, notes, or other evidences of indebtedness pursuant to
38 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
39 the Code of Civil Procedure.

1 SEC. 53. Section 125715 of the Public Utilities Code is
2 amended to read:

3 125715. All bonds and other evidences of indebtedness issued
4 by the district under this chapter, and the interest thereon, are free
5 and exempt from all taxation within the state, except for transfer,
6 franchise, inheritance, and estate taxes.

7 SEC. 54. Section 125716 of the Public Utilities Code is
8 amended to read:

9 125716. Notwithstanding any other provisions of this division
10 or of any other law, the provisions of all ordinances, resolutions,
11 and other proceedings in the issuance by the district of any
12 bonds, bonds with a pledge of revenues, bonds for any and all
13 evidences of indebtedness or liability constitute a contract
14 between the district and the holders of the bonds, equipment trust
15 certificates, notes, or evidences of indebtedness or liability, and
16 the provisions thereof are enforceable against the district or any
17 or all of its successors or assigns, by mandamus or any other
18 appropriate suit, action, or proceeding in law or in equity in any
19 court of competent jurisdiction.

20 Nothing in this division or in any other law relieves the district
21 or the territory included within it from any bonded or other debt
22 or liability contracted by the district. Upon dissolution of the
23 district or upon withdrawal of territory therefrom, that territory
24 formerly included within the district, or withdrawn therefrom,
25 shall continue to be liable for the payment of all bonded and
26 other indebtedness or liabilities outstanding at the time of the
27 dissolution or withdrawal as if the district had not been so
28 dissolved or the territory withdrawn therefrom, and it shall be the
29 duty of the successors or assigns to provide for the payment of
30 the bonded and other indebtedness and liabilities.

31 Except as may be otherwise provided in the proceedings for the
32 authorization, issuance, and sale of any revenue bonds, bonds
33 secured by a pledge of revenues, or bonds for improvement
34 districts secured by a pledge of revenues, revenues of any kind or
35 nature derived from any revenue-producing improvements,
36 works, facilities, or property owned, operated, or controlled by
37 the district shall be pledged, charged, assigned, and have a lien
38 thereon for the payment of the bonds as long as they are
39 outstanding, regardless of any change in ownership, operation, or
40 control of the revenue-producing improvements, works, facilities,

1 or property and it shall, in any later event or events, be the duty
2 of the successors or assigns to continue to maintain and operate
3 the revenue-producing improvements, works, facilities, or
4 property as long as bonds are outstanding.

5 SEC. 55. No reimbursement is required by this act pursuant
6 to Section 6 of Article XIII B of the California Constitution
7 because the only costs that may be incurred by a local agency or
8 school district will be incurred because this act creates a new
9 crime or infraction, eliminates a crime or infraction, or changes
10 the penalty for a crime or infraction, within the meaning of
11 Section 17556 of the Government Code, or changes the
12 definition of a crime within the meaning of Section 6 of Article
13 XIII B of the California Constitution.